

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1037 - SB 962

February 11, 2023

SUMMARY OF BILL: Directs the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to perform a study of the reliability of Tennessee's electric power grid and report its findings to the General Assembly and the legislative librarian by January 1, 2024.

Requires the study to: (1) assess the power grid's reliability in extreme weather scenarios; (2) examine precautions taken by municipal utilities, electric cooperatives, and other similar entities to mitigate the potential impact of extreme weather scenarios on the power supply; (3) determine whether such entities have the capability of doing an annual assessment of the reliability of the power grid in extreme weather scenarios; and (4) be conducted from TACIR's existing resources.

FISCAL IMPACT:

Increase State Expenditures – \$200,000/FY23-24

Assumptions:

- The commission will be able to examine the precautions taken by municipal utilities, electric cooperatives, and other similar entities to mitigate the potential impact of extreme weather scenarios as well as determine whether such entities have the capability of doing an annual assessment utilizing existing resources and staff, resulting in no fiscal impact to state government.
- According to TACIR, the commission does not have the expertise necessary to assess the power grid's reliability in extreme weather scenarios and will require contracting with an outside expert.
- The estimated increase to state expenditures due to contracting with an outside expert is \$200,000 and could possibly be covered by TACIR's reserves.
- As of June 30, 2022, the TACIR reserve fund had a balance of \$2,015,922.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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